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# **ADOPTION OF SOCIAL MEDIA IN BUSINESS-TO-BUSINESS (B2B) SMALL MEDIUM-SIZED ENTERPRISES (SMEs) IN GREECE**

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## **Abstract**

Much literature currently exists concerning the adoption and use of social media in a Business-to Consumer (B2C) context (Michaelidou et al., 2011). However, research concerning the adoption and use of social media in Business-to-Business (B2B) context is still in its infancy (Siamagka et al., 2015) especially from the SMEs perspective (Stockdale, et al., 2012). The main purpose of this research is to investigate the phenomena of social media and its adoption for business-to-business engagement among SMEs. To assess this, a qualitative case study will be conducted, followed by the use of a quantitative approach and supplemented by a novel netnographic technique (Kozinets, 2010). The research will highlight the implications for marketing theory and practice and will suggest a framework to highlight the factors of social media adoption by B2B firms. The research has a special focus on Business-to-Business Small and Medium Sized Enterprises (SMEs) within Greece.

**Keywords:** Adoption, Business-to-Business Marketing, Social Media, Small and Medium-Sized Enterprises (SMEs), Greece

## **Introduction**

Social media is a global phenomenon and have changed the way we live, work and learn. To understand the power of SM, the first quarter of 2018, Facebook had 2.19 billion monthly active users on their site (Statista, 2018). The revolution of SM has given the consumer the most powerful voice they have ever had, and the new customer is a prosumer, a combination of consumer and producer (Chaffey & Ellis-Chadwick, 2016; Ritzer & Jurgenson, 2010). Both large and small businesses have new opportunities for marketing as we have a change from one-to-one communication into one-to-many and from “word of mouth” into “word of mouse” (Stokes and Nelson, 2013) or “electronic word of mouth” (Bulearca and Bulearca, 2010) conversations. Kietzmann et al. (2011) highlight that the adoption of new technologies has exceeded the progress of present academic research and social media has become an essential part of everyday life. Therefore, there is a need for exploring the influence of new technologies on business and especially on SMEs to minimise that gap between the theory and the practice (Durkin et al., 2013; Ainin et al., 2015).

SMEs are important for a country's economy and are the base for future economic and employment growth (Ahmad et al., 2018). SMEs have lack of financial, human and organisational resources and that makes them exposed in their markets (Gilmore et al., 2011). SM are particularly appropriate for SMEs because they have low cost to implement, low barriers to participate and low level of required IT skills (Durkin et al., 2013). Therefore, social media can have a positive impact on SMEs in terms of cost reduction, enhancement in customer relations and information accessibility (Ainin et al., 2015).

Due to the lack of literature in the area of social media use by B2B SMEs, this study will analyse both exogenous and endogenous factors that influence Greek B2B SMEs to adopt and use social media marketing. It will also try to identify the problems and challenges that SMEs face and the benefits that they experiment once they have embraced social media.

## **Research Contribution**

Through the extensive analysis of the literature, it has been found that social media adoption has been largely focused in a Business-to-Consumer (B2C) context (Huotari et al., 2015; Bulearca and Bulearca, 2010; Stockdale et al., 2012; Chua et al., 2009; Derham et al., 2011; Siamagka et al., 2015), whereas in B2B context is still in its “embryonic stage” (Siamagka et al., 2015, p. 89). This gap emphasises the importance to further research (Wiersema, 2013; Karjaluoto et al. 2015) and especially in SMEs (Ainin et al., 2015).

According to Bodnar and Cohen (2012, p.3) “B2B social media marketing is a new set of marketing tools that integrates with existing marketing strategies to help B2B marketer work smarter instead of harder. When done well, social media marketing can reduce marketing expense, increase lead volume, and provide a clear and measurable return on investment for your marketing dollars”. Therefore, it is a significant area to study for SMEs who are wishing to find new approaches for identifying and communicating with their customers and stakeholders.

The primary aim of this research is to investigate the phenomena of social media marketing and its adoption for business-to-business engagement among SMEs and economic growth and to develop and to test an appropriate theoretical framework. The main research question is:

RQ: What are the main challenges, benefits and barriers of social media marketing adoption by Greek B2B SMEs?

Moreover, in order to operationalize this aim, a series of objectives are required:

RO1: To explore the factors that influencing the adoption and use of social media by B2B SMEs in Greece

RO2: to examine business and economic structure of SMEs within the business ecosystem of Greece.

RO3: to examine the use, perception and growth of social media across the SMEs business ecosystem of Greece.

RO4: to critically locate the study through qualitative and quantitative studies.

RO5: to adopt netnography in the research

RO6: to critically interrogate and analyse the study data

This study will try to contribute to the current literature on the adoption of social media marketing in the context of B2B SMEs. The majority of research is focused on Asia and the USA (Dahnil et al., 2014) while the European context and especially the Southern European region is an underdeveloped area of study on social media adoption. Therefore, this study will examine the social media adoption within B2B SMEs in Greece to address this gap. The population of the study will be Greek SMEs as they represent 99.6% of the Greek private sector and 56% of the total employment of the Greek economy (Greek Institute of Small Businesses, 2016).

## **Theoretical framework**

This research draws the definition by Kaplan and Haenlein (2010, p. 61) who defined social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content”. According to Stockdale et al. (2012), social media helps businesses to gain business value and competitive advantage and SMEs can have access to resources that were used to be available only for large companies (Kim et al., 2013). Social media marketing adoption and usage have an important impact on SMEs’ performance (Michaelidou et al., 2011; McCann and Barlow, 2015; Odoom et al., 2017).

Pitt et al., (2006, p. 600) argue that “the internet is becoming the most important vehicle for global business-to-business commerce”. According to Sharma (2002) B2B marketers use the internet to gain value for their brands via information, knowledge, conversations and relationships.

Several studies suggested that factors such as compatibility (Wang et al., 2010; Low et al, 2011; Ainin et al., 2015), cost effectiveness (Michaelidou et al, 2011; Odoom et al, 2017), trust (Ahamat et al., 2017) and interactivity (Odoom et al, 2017) are influencing social media adoption. Other essential determinants are perceived usefulness (Siamagka et al., 2015; Ahamat et al., 2017), perceived ease of use (Ahamat et al., 2017; Siamagka et al, 2015) and top management support (Low et al 2011; Cerasoni and Consoli, 2015). Additionally, Wamba and Carter (2014) identified factors such as organizational, manager and environmental characteristics which influence social media adoption by SMEs.

The adoption and use of social media create many benefits for SMEs, including: building brand relationships (Dahnil et al., 2014); eWOM branding (Michaelidou et al., 2011); real time information (Vlachvei and Notta, 2014); brand awareness (Cerasoni

and Consoli, 2015); enhance customer relationships (Järvinen et al., 2012; Agnihotri et al., 2016) and benefits for their general marketing activity (Wang et al., 2016).

Previous literature (Michaelidou et al., 2011; Cerasoni and Consoli, 2015; Jussila et al, 2014) highlights that lack of understanding of how to do so, of technical skills, of perceived benefits, of time and resources and of measurement of ROI or performance are the main barriers of social media adoption. According to Mangold and Faulds (2009) B2B marketers are discouraged from adopting social media channels because of the lack of control over communication.

The adoption of new technologies has been studied from different theoretical perspectives (Oliveira and Martins, 2011; Chong et al., 2009). The Diffusion of Innovations (DOI) Theory by Rogers (1995) and the Technology, Organisation and Environment (TOE) framework (De Pietro et al., 1990) are considered as the most used models for technology adoption especially by firms (Oliveira and Martins, 2011). Other theoretical models used on the technology adoption literature on individual level include the Theory of Planned Behavior (Ajzen, 1985, 1991), the Theory of Reasoned Action (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980) and the Technology Acceptance Model (Davis, 1989). This study will use the TOE framework (see Fig.1). The TOE has been previously used to understand the adoption of new technologies by SMEs (Alshamaila, et al., 2013) and to investigate the use of new technologies by firms (Oliveira and Martins, 2011).

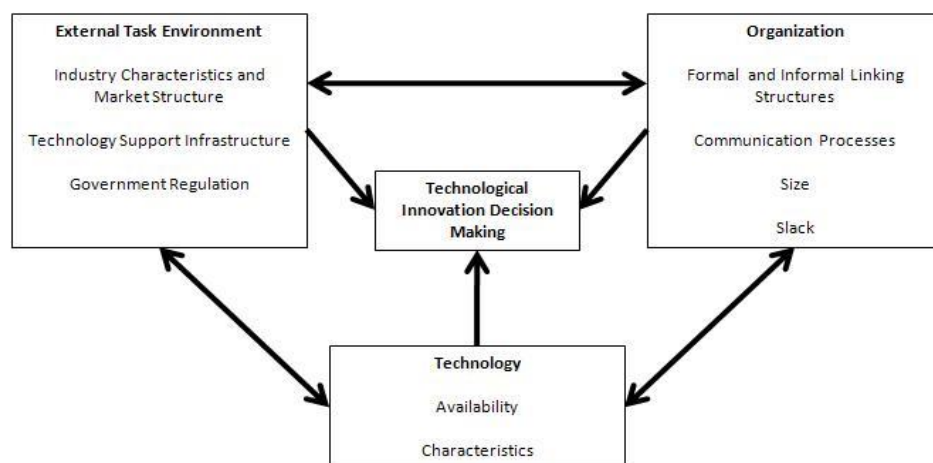


Fig.1: Technology, Organization and Environment (TOE) framework (DePietro et al., 1990)

By applying the Technology-Organisation-Environment Framework the study will develop and test a theoretical model that can be used to investigate the impact of different technology, organizational and environmental characteristics on the adoption of social media by Greek B2B SMEs. The TOE framework identifies three determinants that influence the adoption of new innovations in an organisation: the technological, the organisational and the environmental contexts.

1. The technological context includes the internal and external technology relevant to the organisation.
2. The organisational context includes the characteristics of the organization.

3. The environmental context is the area in which an organisation operates. This includes infrastructures, technology support, size and structure of the organization, competitors and government regulations.

## **Methodology**

Due to exploratory nature of the research, this study involves a qualitative case study research approach to gain insights into the field of research and related organisational contexts. According to LaPlaca and Lindgreen (2016, p. 1), “case method research is an in-depth investigation (description) of a specific situation or phenomena” and “it may be the only way to gain an understanding of the underlying processes involved in industrial marketing”. The sample will consist of 5 Greek B2B SMEs from several industries based in Athens. More than 35% of Greek companies are located in the metropolitan area of Athens (Greek Institute of Small Businesses, 2016). The participating SMEs will be profiled regarding their overall social media activities. Semi-structured face to face interviews with business owners or key decision makers will be used to collect qualitative data for the SMEs. The findings will be analysed with NVivo software.

In the second phase, a quantitative online survey will be sent to a sample of Greek B2B SMEs and data will be analysed through SPSS software. The participants B2B SMEs will be categorized into three main groups: the adopters (those that had already adopted SM), the prospectors (those that intend to adopt SM in the next three years) and the non-adopters (those that do not intend to adopt SM).

Finally, the study will adopt a netnographic methodology with direct observation on social media sites and activities of these SMEs for at least two months. This qualitative observational research method applies ethnographic research into online communities to use them as a source of data (Bowler, 2010; Kozinets, 2002 and 2010). Kozinets (2002) defined four ethical research principles which marketing researchers should follow when conducting netnographic research:

1. The researcher should inform the studying online community members for his or her presence.
2. The researcher must guarantee the anonymity and confidentiality of the informants.
3. The researcher should request and include feedback from the online community members.
4. The researcher should ask permission from the community members every time that he or she wants to quote a particular posting.

Additionally, the social media content will be analysed through NVivo10 software using the NCapture function of social media.

## **Conclusion**

The study will contribute to theory in three ways. Firstly, will develop and test a theoretical model to explore social media adoption and will determine the factors that enhance B2B SMEs in Greece to adopt and use social media marketing. Secondly, will triangulate qualitative interview findings with quantitative data by Greek B2B SMEs to understand the main determinants of social media adoption. Finally, this research will be useful for academics who can find it as a base for further research on the adoption of social media by B2B SMEs.

In terms of practical implications, the study will help managers and owners, to build more effective strategies for social media adoption by SMEs within government and businesses. This study is one of the first which will try to develop an empirical framework of social media adoption and its impact on performance by B2B SMEs in Greece. It will also enhance to promote new business projects and the establishment of more start-ups and assist the proper and effective use of new technologies. Greek SMEs could use SM marketing to assess larger markets and to be more competitive not only locally but also in the global economy. Therefore, social media marketing tools can have a key role in the country's attempts to recover from the recession and to develop. Finally, this study will be interesting for academics who can find it as a base for further explanatory or descriptive research on the use of social media by B2B SMEs.

The research focuses only on B2B SMEs in Athens, the capital of Greece by excluding larger firms and therefore limits generalisability of the findings. Although Greek SMEs are more than 99% of the Greek firms, future researchers could conduct similar comparative analyses including firms of all sizes to enhance our knowledge about social media adoption in the industrial context. Another aspect of limitation would be the national character of the analysis. The focus on the Greek SMEs does not make it possible to generalize the results globally, as e.g. national and cultural factors might also play an important role in the area of social media marketing adoption.

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